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LB 965

your amendment.

SENATOR JENSEN: Thank you, Mr. President, members of the Legislature. I'm introducing this amendment to LB 965 on the recommendation of the State Tax Commissioner and other employees of the Department of Revenue, the State Investment Officer, the Treasurer's Office, as well as members of the banking and insurance industries. This amendment will make the administration of the Long-Term Care Savings Plan more efficient, as it provides the state entities involved in the management of the plan the powers they need to ensure its success. The changes proposed by this amendment affect only plan administration. The amount of allowable tax deduction, the definition of qualified individual, the type of qualified withdrawals not subject to any penalty all remain the same. This amendment makes the following changes. Instead of the Department of Revenue, the State Treasurer selects the administrator of the plan. If the Treasurer is unable to select a plan administrator due to lack of proposals, the State Treasurer may enter into agreements with a state-chartered or federally chartered financial institutions to receive contributions under a participation agreement. Thus, under this agreement, if no bids for a plan administrator are forthcoming after a request for proposal is proposed, the Treasurer's Office will still have the alternative route in allowing the creation of long-term care savings accounts. Such flexibility is needed, as the Long-Term Care Savings Plan is a new and innovative program, and the Treasurer's Office should have the ability to adapt to changing circumstances. Second, the participants entering into participation agreements directly with the State Treasurer. Under the green copy versions of the bill, participants entered into agreements with the plan administrator chosen by the Department of Revenue. The actual content of the participation agreement remains unaffected. The amendment creates the long-term care savings plan trust, with the State Treasurer serving as trustee. As such, the Treasurer is responsible for the administration, operation, and maintenance of the program, and all powers necessary to carry out and effectuate the proposals and the objectives of the Long-Term Care Savings Plan. This is an appropriate role for the Treasurer, as that office already has similar experience in